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Attorneys for Creditors Patrick J. Horgan,  
G & L Nelson Limited Partnership,  
Peter M. DiGrazia DMD LTD PSP,  
Dr. James & Tracy Murphy, Trustees of  
The Murphy Family Trust, Desert  
Commercial Sweeping, Inc. and  
William C. Wallace III and Annamarie K.  
Wallace

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:	) Jointly Administered
	) Chapter 11 Cases
USA Commercial Mortgage Company	) Judge Linda B. Riegle Presiding
06-10725 – Lead Case	)
	) Date: N/A
USA Capital Realty Advisors, LLC	) Time: N/A
06-10726	)
	) <b>Affecting:</b>
USA Capital Diversified Trust Deed Fund, LLC	) <input type="checkbox"/> All Cases
06-10727	) <b>or Only:</b>
	) <input checked="" type="checkbox"/> USA Commercial Mortgage Company
USA Capital First Trust Deed Fund, LLC	) <input type="checkbox"/> USA Capital Realty Advisors, LLC
06-10728	) <input checked="" type="checkbox"/> USA Capital Diversified Trust Deed Fund,
	) LLC
USA Securities, LLC	) <input checked="" type="checkbox"/> USA Capital First Trust Deed Fund, LLC
06-10729	) <input type="checkbox"/> USA Securities, LLC
Debtors.	)

**STATEMENT OF MAUPIN, COX & LEGOY  
PURSUANT TO FED.R.BANKR.P. 2019  
(AFFECTS ALL DEBTORS)**

Christopher D. Jaime makes the following statements:

1  
2 1. I am an attorney licensed to practice law in the State of Nevada, and I am a  
3 shareholder of the law firm of Maupin, Cox & LeGoy ("MCL Law Firm"). I have personal  
4 knowledge of the facts recited herein, and I am competent to testify regarding them if called as a  
5 witness in this matter.

6 2. Maupin, Cox & LeGoy has been retained to represent Patrick J. Horgan, G & L  
7 Nelson Limited Partnership, Peter M. DiGrazia DMD LTD PSP, Dr. James and Tracy Murphy,  
8 Trustees of The Murphy Family Trust, Desert Commercial Sweeping, Inc. and William C. Wallace  
9 III and Annamarie K. Wallace. These persons and entities made original investments in 11 different  
10 loans in the amount of \$1,370,000 and 2 different fund purchases in the approximate amount of  
11 \$75,000. I am the attorney primarily responsible for representing these persons and entities.  
12

13 3. As Ordered by the Bankruptcy Court, I provide the following information required  
14 by Fed.R.Bankr.P. 2019 with respect to each of the four persons and entities and their involvement  
15 with the above-referenced cases:  
16

17 (a) **Patrick J. Horgan**, 1560 Kestrel Ct., Reno, Nevada 89509, regarding the  
18 following three matters:  
19

20 (1) On or about January 17, 2005, Patrick J. Horgan made a Direct Loan  
21 to One Point Street, Inc. in the amount of \$50,000, which loan is evidenced by a promissory note and  
22 secured by a deed of trust. This loan is presently serviced by U.S.A. Commercial Mortgage  
23 Company ("USACM") pursuant to a Loan Servicing Agreement ("LSA") and Power of Attorney.  
24

25 (2) On or about June 13, 2005, Patrick J. Horgan made a Direct Loan to  
26 Glendale Tower Partners, LP in the amount of \$50,000, which loan is evidenced by a promissory

1 note and secured by a deed of trust. This loan is presently serviced by USACM pursuant to a LSA  
2 and Power of Attorney.

3 (3) On or about October 24, 2005, Patrick J. Horgan made a Direct Loan  
4 to Fox Hills 185, LLC, Fox Hills River East, LLC, Fox Hills 119, LLC, Fox Hills 62, LLC, and Fox  
5 Hills 37, LLC in the amount of \$50,000, which loan is evidenced by a promissory note and secured  
6 by a deed of trust. This loan is presently serviced by USACM pursuant to a LSA and Power of  
7 Attorney.  
8

9 (b) **G & L Nelson Limited Partnership**, 900 So. Meadows Parkway, #4821,  
10 Reno, Nevada 89521, regarding the following two matters:

11 (1) On or about January 26, 2006 G & L Nelson Limited Partnership made  
12 a Direct Loan to Foxhills 216, LLC in the amount of \$500,000, which loan is evidenced by a  
13 promissory note and secured by a deed of trust. This loan is presently serviced by USACM pursuant  
14 to a LSA and Power of Attorney.  
15

16 (2) On or about January 27, 2006 G & L Nelson Limited Partnership made  
17 a Direct Loan to Ocean Atlantic in the amount of \$300,000, which loan is evidenced by a promissory  
18 note and secured by a deed of trust. This loan is presently serviced by USACM pursuant to a LSA  
19 and Power of Attorney.  
20

21 (c) **Peter M. DiGrazia DMD LTD PSP**, c/o Peter M. DiGrazia DMD, 1625  
22 Lakeside Drive, Reno, Nevada 89509, regarding the following two matters:

23 (1) On or about August 31, 2005, the Peter M. DiGrazia DMD Ltd. Profit  
24 Sharing Plan made a Direct Loan to Binford Medical Developers, LLC in the amount of \$50,000,  
25 which loan is evidenced by a promissory note and secured by a deed of trust. This loan is presently  
26

1 serviced by USACM pursuant to a LSA and Power of Attorney.

2 (2) On or about November 5, 2004, the Peter M. DiGrazia DMD Ltd.  
3 Profit Sharing Plan purchased three shares in USA Capital First Trust Deed Fund in the amount of  
4 \$5,000 each, for a total investment of \$15,000.

5 (d) **Dr. James and Tracy Murphy, Trustees of The Murphy Family Trust,**  
6 1305 Thunderbolt Drive, Reno, Nevada 89511, regarding the following three matters:

7 (1) On or about February 17, 2005, Dr. James and Tracy Murphy, Trustees  
8 of The Murphy Family Trust made a Direct Loan to Cabernet at the Highlands, LLC in the amount  
9 of \$100,000, which loan is evidenced by a promissory note and secured by a deed of trust. This loan  
10 is presently serviced by USACM pursuant to a LSA and Power of Attorney.

11 (2) On or about November 28, 2005, Dr. James and Tracy Murphy,  
12 Trustees of The Murphy Family Trust made a Direct Loan to Palm Harbor One, LLC in the amount  
13 of \$75,000, which loan is evidenced by a promissory note and secured by a deed of trust. This loan  
14 is presently serviced by USACM pursuant to a LSA and Power of Attorney.

15 (3) On or about February 24, 2006, Dr. James and Tracy Murphy, Trustees  
16 of The Murphy Family Trust made a Direct Loan to Elizabeth May Real Estate, LLC in the amount  
17 of 75,000, which loan is evidenced by a promissory note and secured by a deed of trust. This loan  
18 is presently serviced by USACM pursuant to a LSA and Power of Attorney.

19 (e) **Desert Commercial Sweeping, Inc.,** 5620 Madras Street, Carson City,  
20 Nevada 89704-9556, regarding the following two matters:

21 (1) On or about September, 2005 Desert Commercial Sweeping made a  
22 Direct Loan to Castaic Partners III, LLC in the amount of \$70,000, which loan is evidenced by a  
23

1 promissory note and secured by a deed of trust. This loan is presently serviced by USACM pursuant  
2 to a LSA and Power of Attorney.

3 (2) On or about January, 2004 Desert Commercial Sweeping purchased  
4 membership interest units in USA Capital Diversified Trust Deed Fund, LLC, in the amount of  
5 \$57,530.47.

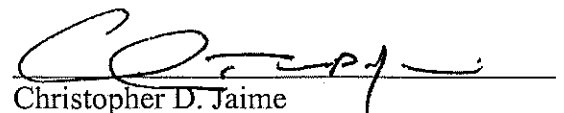
6 (f) **William C. Wallace III and Annamarie K. Wallace**, 5620 Madras Street,  
7 Carson City, Nevada 89704-9556. On or about December, 2002, William C. Wallace III and  
8 Annamarie K. Wallace made a Direct Loan to Amesbury/Hatters Point in the amount of \$50,000,  
9 which loan is evidenced by a promissory note and secured by a deed of trust. This loan is presently  
10 serviced by USACM pursuant to a LSA and Power of Attorney.

11 4. Employment. The MCL Law Firm was retained by the creditors referenced above  
12 beginning in or about July of 2006. The MCL Law Firm has been retained on an hourly basis and  
13 will be paid by individuals and entities hereinabove referenced with respect to all legal services  
14 involved and costs incurred on their behalf.

15 5. Representative Claim. At the time of its employment, the MCL Law Firm had no  
16 claim or interest in the above-referenced case.

17 I declare under penalty of perjury under the laws of the United States that the foregoing is  
18 true and correct.

19 Dated: 11/9/06, 2006.

20  
21  
22  
23  
24  
25  
26  
  
Christopher D. Jaime

**CERTIFICATE OF SERVICE**

I certify that I am an employee of Maupin, Cox & LeGoy, and that on this date I served a true copy of the attached document, as follows:

(A) Via the ECF System on Debtor's Counsel, Jeannette E. McPherson and Lenard E. Schwartzer, at their e-mail address of: bkfilings@s-mlaw.com

(B) By depositing it for mailing in a sealed envelope with postage prepaid thereon in the United States Post Office, addressed as follows:

Annette W. Jarvis  
P.O. Box 45385  
36 South Lake Street, #1400  
Salt Lake City, UT 84145-0385

Dated this 9<sup>th</sup> day of November, 2006.

Karen Bernhardt  
Employee